COMMERCIAL UNION ACTIONS

Commercial Union Assurance Companies
EXECUTIVE OFFICES ONE BEACON STREET, BOSTON, MASSACHUSETTS 02108

March 13, 1981

[redacted]

Re: INSURED: [redacted]
ASBESTOS LITIGATION

Dear Sir:

You have previously advised Commercial Union of your involvement as a primary insurance carrier in the asbestos litigation for the above-named insured. As you know, Commercial Union has excess insurance coverage on the above insured for the same alleged losses. Commercial Union has also been actively involved as the primary carrier defending other asbestos manufacturers, distributors, and suppliers.

A thorough investigation of all of the available facts has convinced us that both the tobacco industry and the U.S. Government should be involved in and should also share in the liability exposure in these suits, and we would, of course, be willing to share the results of this investigation with you.

It is our view that it is essential that, in order to give our mutual insured maximum coverage and protection, both the tobacco industry and the U.S. Government must be made active participants in this litigation and to pay their fair share of the damages. Accordingly, we respectfully request that you give serious and immediate consideration to commencing third-party actions for contribution or indemnification against the tobacco companies or entire tobacco industry, as well as the United States Government in all appropriate lawsuits. Additionally, we request that you commence independent actions for contribution or indemnification against specified tobacco companies or the tobacco industry, as the case may be, and the United States Government to recover monies paid on behalf of the above insured as a result of any settlement or adverse judgment in an asbestos action.

Since delay may adversely affect the claims for contribution or indemnification, and since the Statute of Limitations is continuously running on some of the above described claims, it is essential that your immediate consideration be given to this matter. As Commercial Union will be directly affected by any delays, please advise the undersigned in writing, forthwith, but in no event later than thirty (30) days from the date of this letter, as regards any actions you may have already taken in this matter, as well as your plans for immediate future action.

Kindly note that a copy of this communication is being forwarded to our insured.

If you have any questions, please feel free to contact the undersigned.

Yours very truly,

Michael F. Somerville
Manager, Special Claims Unit
Home Office Claims Department
Tel. (617) 725-6526

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